GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1774
ANSWERED ON:02.08.2001
CROP INSURANCE
SAHIB SINGH VERMA

Will the Minister of AGRICULTURE be pleased to state:

(a) the date of introducing the crops insurance scheme in the country;

(b) the States in which it is operative as on June 30, 1997;

(c) the main crops covered under the scheme;

(d) the main features of the scheme;

(e) the benefits offered to the poor and marginal farmers under the scheme; and

(f) the date by when all the poor and marginal farmers of each State are likely to be provided with the crops insurance scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a): The Comprehensive Crop Insurance Scheme (CCIS) was introduced in the country from Kharif 1985 season. The CCIS was subsequently replaced by National Agricultural Insurance Scheme (NAIS) from Rabi 1999-2000 season.

(b): The CCIS was operative in following States and Union Territories as on June 20, 1997:

1. Andhra Pradesh

2. Assam

3. Bihar

4. Goa

5. Gujarat
6. Himachal Pradesh

7 Karnataka

8. Kerala

9. Madhya Pradesh
10. Maharashtra
11. Meghalaya
12. Orissa
13. Tamil Nadu
14. Tripura
15. West Bengal
16. Andaman & Nicobar Islands
17. Pondicherry.

(c): Rice, Wheat, Millets, Pulses and Oilseeds were covered under CCIS.

The NAIS which replaced CCIS covers cereals, millets, pulses, oilseeds and annualcommercial/horticultural crops. At present cotton, sugarcane, potato, onion, chillies, turmeric and ginger are covered under annual commercial/horticultural crops.

(d): The main features of CCIS and NAIS are annexed.

(e): Under CCIS nominal rates of premium ranging between 1% to 2% were charged from all thefarmers. Small and marginal farmers were further given a premia subsidy of 50%.

Under NAIS, fixed premia rates ranging between 1.5% to 3.5% are charged in case of food cropsand small and marginal farmers are given 50% premia-subsidy to be phased out over a period of five years on sunset basis.

(f): NAIS, which is in operation at present is optional to States/UTs.Only 20 States/UTs are implementing the scheme. The scheme is however, open to all States/UTs and provides for coverage of all farmers irrespective of their holdings.

Annexure

Main features of Comprehensive Crop Insurance Scheme (CCIS) and National Agricultural Insurance Scheme (NAIS)

Comprehensive Crop Insurance Scheme (CCIS)

- Farmers availing crop loans from financial institutions for growing food crops and oilseeds were covered on compulsory basis.

- The coverage was restricted to 100% of crop loan subject to maximum of Rs.10,000/- per farmer.

- Liability was shared by Central and State Government in the ratio of 2:1.

- 1% to 2 % flat rates of premium were charged.

- 50% premia-subsidy to small and marginal farmers was provided.

- The scheme was optional for States/UTs.

National Agricultural Insurance Scheme (NAIS)

- Scheme is available to all farmers – loanee and non-loanee both-irrespective of their size of holding.

- Compulsory for loanee farmers and optional for non-loanee farmers

- Sum-insured may extend to the value of threshold yield of the area insured.

- Coverage of all food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops in respect of which past yield data is available for adequate number of years.

- Among the annual commercial/horticultural crops, seven crops namely cotton, sugarcane, potato, chillies, ginger, onion and turmeric are presently covered.

- Premium rates are 3.5% for bajra and oilseeds, and 2.5% for other Kharif crops;

1.5% for wheat, and 2% for other rabi crops. In case the rates worked out on the basis of actuarial data are less than the prescribed premium rate, the lower rate will be applicable.

- In case of annual commercial/horticultural crops, actuarial rates are charged.

- Small and marginal farmers are provided subsidy of 50% of the premium charged from them. The subsidy will be phased out over a period of 5 years on sunset basis.

- To implement NAIS at lower unit of insurance i.e. Gram Panchayat.

- It is proposed to set up a separate agency for implementation of NAIS